FUNDY COMMUNITY ECONOMIC DEVELOPMENT AGENCY

Enterprise Fundy / Entreprise Fundy

Annual Report

April 1, 2005 – March 31, 2006

Incorporated February 26, 1976

Celebrating 30 years !!!

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106-07195/

ANNUAL REPORTING FOR FISCAL YEAR ENDING

April 1, 2005- March 31, 2006

Enterprise Fundy's territory encompasses most of the small rural communities of Kings County north of Nauwigewaulk, the western portion of Westmorland County, and all of Albert County, except the Town of Riverview. Participating Municipalities include Alma, Hampton, Hillsborough, Norton, Petitcodiac, Riverside-Albert, Salisbury, Sussex and Sussex Corner.

OUR MISSION STATEMENT

Enterprise Fundy will facilitate the sustainable economic development of this region by providing appropriate, high quality, and timely services to the business community and by proactively undertaking any other initiatives that support economic growth and development.

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1.0 PRESIDENT'S REPORT

In 2002, Enterprise Fundy was formed, as one of the fifteen Community Economic Development Agencies, and has evolved throughout the past four years. I would like to address several broader issues and involvements before addressing Enterprise Fundy's accomplishments in 2005-2006.

In the fiscal year 2003-2004, the criteria for approval of funding for projects by the Community Economic Development Fund (CEDF) were changed by the Province of New Brunswick, which significantly reduced the province-wide funding of $3 million per year in 2002-2003, when Enterprise Fundy was allocated, on a population basis, CEDF funding of $192,284 per year. For 2003-2004 the funding level was reduced to one third (i.e. $1 million) and Enterprise Fundy's allocation was reduced proportionately. For 2004-2005, the criteria for the approval of funding were clarified and the funding level was maintained at the same $1 million dollar level. For 2005-2006 the CEDF funding was increased to $1.25 million dollars and I am pleased to report that the fund has been increased to $1.5 million dollars for 2006-2007. However, the funding has not returned to it's previous $3 million level and the original criteria have not been reinstated. This reduced funding level presents potential financial limitations to the implementation of Enterprise Fundy's strategic initiatives.

Frank Tenhave, as the Executive Director, and I, as Chairman of the Board of Directors, have been actively involved in numerous regional and province-wide matters which have potential consequences, both positive and negative on the businesses and residents of Enterprise Fundy. The Enterprise Network is the provincial representative of the fifteen Community Economic Development Agencies on common matters of funding, policies and procedures, communications and operational issues. I have served as President and Chair of the Board of Directors of the Enterprise Network, as the representative of the Board of the Enterprise Fundy, since June of 2004 and will be continuing in this role until June of 2007. Unfortunately, from a continuity perspective, the Minister and the Deputy Minister of Business New Brunswick have both changed in the calendar year 2006, there have been reorganization and budget approval issues at ACOA, and the Post-Secondary Education and Training Department has been formed (formerly the Department of Training and Employment Development), that have slowed the culmination of a number of issues. As a positive note, all of the aforementioned parties have expressed a strong interest in moving forward. An example is the approval of a 4.0% increase in the funding levels for operational costs of the Enterprise Agencies by ACOA and BNB for 2006-2007. There had been no increase in the year 2005-2006.

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A review of the strategic direction of Enterprise Fundy was conducted which has resulted in a Strategic Plan for 2006-2009. Although it confirms the direction of the 2002-2005 Strategic Plan, there are added focuses on the energy potential in the region and the need for immigration for Enterprise Fundy. The Work Plans in 2005-2006 reflected these adjustments in the Strategic Plan.

I wish to acknowledge the inputs that have been received during the last year from individual Advisory Forum members and from the recent Advisory Forum Meeting of April 10th. The input of the Advisory Forums over the past four years has played a key role in directing the priorities of the evolving Strategic Plans.

The funding partners of the Atlantic Canada Opportunities Agency (ACOA), Business New Brunswick (BNB) and Department of Post-Secondary Education and Training (D PET) have been, and continue to be, strong and supportive participants in increasing the availability and exposure of Enterprise Fundy, ACOA, BNB and DPET to our respective and joint clients.

The Municipalities in Enterprise Fundy have all participated through their continuing financial commitment, as well as participating in Fundy Municipal Roundtable discussions. The inputs, both formally and informally, by the municipalities and the local service districts (LSD) have been very helpful in order to appreciate the grass root issues in the diverse region which Enterprise Fundy serves. The involvement by the municipalities and local service districts, through the Kings East Development Partnership addressing the energy potential in the region, certainly epitomizes the concept of "Community Based Economic Development".

The Board of Directors of Enterprise Fundy has addressed the aforementioned issues and other topics (e.g. the Premiers Economic Summit, the Cape Enrage nomination by Enterprise Fundy which won a Tourism Award, the support of the Kings East Development Partnership (championing the Energy Park and Murals projects), the funding application for UNESCO World Biosphere Designation, the Youth Economic Development Officer funding, the Dead Animal Disposal project funding support, the Rusty Hinges nomination by Enterprise Fundy as a New Brunswick Innovative Company, the support of Atlantica/International Northeast Trade Corridor, the Wild Turkey proposal, the support for Ambulance

...3/

Service in Albert County, the Enterprise Fundy website – which is now more immigration and investment focused, the Tourism Branding Study, and the Fossil Forest Interpretation Centre project work). Similarly, the committees of the Board have effectively served on behalf of the Board of Directors.

I wish to commend the Directors of Enterprise Fundy for the contribution that each has made during the past year. In particular, I would like to recognize Dave Corbin, who due to relocation of his employment outside Enterprise Fundy, resigned in 2005, and to recognize the significant contributions of the Directors who are leaving the Board at this time- David Keirstead, who had served as Executive-at-Large Joe Fitzgerald, who has served as the Treasurer on the Executive Committee, Michele Bishop and Gil Carter.

The staff of Enterprise Fundy continued to display strong dedication and flexibility during the 2005-2006 fiscal year. The quality of the staff is reflected by their abilities to develop their careers so readily, however, vacancies created by staff turnover have been challenging to Frank and the staff. Priorities and approaches were modified to focus on the needs of the staff and to optimize the outcomes by the five staff positions. A great deal was accomplished in the challenging times of 2005-2006, under Frank Tenhave's leadership, and the hard work and focus of the Enterprise Fundy staff on the more than one hundred new opportunities which were identified. I have enjoyed working with Frank on the many and varied aspects of the ongoing evolution of Enterprise Fundy.

I continue to be optimistic that the New Brunswick community based economic development model will flourish in the Enterprise Fundy region and the Province of New Brunswick.

My closing comments are directed, as an encouragement to everyone interested in the economic development of the Fundy Enterprise region, to actively get involved in realizing the potential of the economic benefits of the energy resources that are located here and to consider and enable the opportunities for immigration.

Sincerely,

H. Brian Reid

H. Brian Reid
Chairman

EXECUTIVE DIRECTOR'S REPORT

This past fiscal year proved to be a typical year in many ways with the usual successes and challenges.

Early in the year we hired our new Labour Force Development Officer, ***Ghislain Thibodeau***. Ghislain came to us from Enterprise Peninsula where he held the same position thus he came here with job experience. This has proven to be of great benefit to us. Ghislain hit the ground running and is making very good inroads on the HR side of our services to the region. At the risk of jinxing things, I believe that this previously weak component of our mandate is finally rising up within the CEDA ranks and is as good as any in the province.

As it is our core business, service to the business sector was again the cornerstone of our activities over the past year. ***David Cotter,*** our Economic Development Officer, has grown into the position and delivering a quality service to our business clients. The volume of work, both in numbers of clients and numbers of meetings, continues to grow which I believe is positive indication of the confidence that the business community continues to have in Enterprise Fundy as the first stop for business.

I also want to update you on the Youth Economic Development Officer position. Shortly after the end of our last fiscal year, ***Natasha Huttges*** accepted a permanent position with a company in Moncton. While she did a great job for us, I cannot blame her for leaving the tentative "contract" work environment in favor of something a bit more long-term. Recently a new YEDO was hired, Heath Skinner, someone whom I believe will do well in the position once he gets his feet under him.

Our Office Administrator, ***Joan Davidson***, continued to provide the strong administrative support to this agency. This past year saw exponential growth in the number of "special projects" that have to be tracked, and accounting functions for each kept, and so on. Again, while I believe that this is a positive indicator of our work within the region, it also is adding considerably to Joan's workload - which was already large enough. Looking forward, we are to the point where unless we find funding for administrative help for this growing workload, we will be forced to reduce the number of these special projects simply because we lack the horsepower to administer them.

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For my own part a large portion of my time went into the normal management work required to ensure the deliver of our Work Plan – which I am happy to report we have been successful in doing although not all tasks were not completed as expected. In plain English, there simply aren't enough human resources here to meet the expectations so customer service trumped strategic initiatives in some instances – and it always will.

With respect to strategic initiatives, as outlined in our WorkPlan, the energy-related opportunities were the priority area of my work. Unfortunately, I cannot report a success rate that was proportional to the effort. The natural gas opportunity in our region is substantial to say the least. With Corridor Resources' third party estimates of over 5 trillion cubic feet in the greater Penobsquis area and another half a trillion cubic feet estimated by Contact Exploration in the Hillsborough end of this hydrocarbon basin, this is an outstanding economic development opportunity that only grows as the world energy situation grows more and more volatile. Further, there are scientific and geological reasons to be optimistic that there are significant natural gas deposits in the geographic area between Penobsquis and Hillsborough where no exploratory drill has been done as yet. Add to this the unknown quality of oil that is soon to be pumped out of the deposits in Albert County by Contact Exploration plus the estimated 270 million barrels of oil immersed in the Albert County oil shale, this province could benefit greatly in having these home-grown energy sources that could offer us longer term energy cost stability and security of supply at a time when neither can be taken for granted in most of the rest of the world.

Having worked in economic development for over 15 years and in having done a great deal of research into energy sources and economic development opportunities, I can tell you unequivocally that I don't expect to see a greater opportunity for New Brunswick in my lifetime. Despite difficulty in getting this opportunity on the Province's priority list thus far, I remain optimistic that as the future unfolds the economics of Province's energy options may well narrow to the point that there will be little choice but to look at the solutions in our own backyard.

This time commitment to energy opportunities, and specifically the energy park project, which aims to utilize our natural gas here to create jobs, rather than see it all exported to the US, was disproportionate to my other duties. As a result I have had to disengage from a lot of the efforts on this project. Fortunately two of our

...3/

Board members, Brian Reid and George Horton, stepped forward and has taken up a large portion of the work in this effort through Enterprise Fundy's membership within the Kings East Development Partnership. That effort is much appreciated, not just by myself, but by all involved in this exciting opportunity.

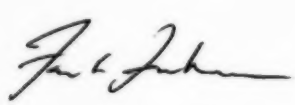
There are a number of people that I want to thank for their support over the past year. First of all is the staff at Enterprise Fundy. David, Ghislain, and Joan have worked hard to deliver the results we have had and are certainly to be commended for this. Our funding partners continue to be true partners with us. In particular I want to thank Scott Walker at ACOA and Brian Ferris at DPET. With our resources stretched as thin as they are, were it not for these partners we would not have been nearly as successful as we have been. I also want to thank and re-welcome Rick Alain of BNB. Rick was briefly reassigned away from Enterprise Fundy but after a few months someone at BNB saw the error of their ways and put Rick back where he belongs.

I also want to thank the Board of Directors of Enterprise Fundy. It is a significant commitment to serve on our Board and the community should be proud of these folks. I want to especially thank David Keirstead and Joe Fitzgerald who are wrapping up their terms on the Board tonight. They were a pleasure to work with and want to encourage them to consider coming back to the Board at some time in the future.

Last but certainly not least, I want to thank our Board President Brian Reid. Now retired, Brian remains as busy as if he were still working through his work as our Board President and as the President of the Enterprise Network Board of Directors. If any one here saw the volume of e-mails and other material that Enterprise Fundy alone (mainly from me) send to him for his assistance and to ensure that he is current on pressing issues, you would be truly astonished. Even in the face of all of this, Brian remains a steadfast supporter of Enterprise Fundy and our goals and objectives. Were it not for his strong leadership I am sure that we would have made less progress on important issues than was accomplished.

I look forward to another successful year and I would welcome any calls and suggestions from anyone here tonight on anything they wish to rise.

Thank you.



Executive Director

2.0 BOARD OF DIRECTORS April 1, 2005 - March 31, 2006

Board of Directors (Fiscal year ended March 31, 2006)

Name	Sector	County	Term Left	Appointed BY	Term Ends
Mr. Clark **Atherton** - *Secretary* Potash Corporation of Saskatchewan P. O. Box 5039 9 McCully Station Road Penobsquis, NB E4G 2B4	Manufacturing-Food	Kings	2Yr.	ACOA	June 15/07
Ms. Michele **Bishop** Hampton Home Hardware Bldg. Center P. O. Box 1064 406 William Bell Drive Hampton, NB E5N 8H1	Retail/ Service	Kings	2Yr.	Municipal	June 15/07
Mr. Gil **Carter** 24 Broadview Avenue Sussex, NB E4E 1B3	Manufacturing - Basic	Kings	3Yr.	Municipal	June 15/08
Mr. George **Horton** KCNB DOT CA/New Brunswick Web Design 83 Horton Lane Penobsquis, NB E4G 2C8	Forestry	Kings	2Yr.	Municipal	June 15/07
Mr. Joe **Fitzgerald** - *Treasurer* G. E. Barbours 165 Stewart Avenue Sussex, NB E4E 3H2	Manufacturing-Food	Kings	1Yr.	BNB	June 15/06
Mr. Glenn **Kaye** Maritime Geothermal Ltd. P. O. Box 2555 (170 Plantation Rd) Penobsquis, NB E4Z 6H4	Transportation	Westmorland	3Yr.	BNB	June 15/08
Mr. David **Keirstead** Salisbury Funeral Home 3350 Route 106 Salisbury West, NB E4J 3H3	Retail/ Service	Westmorland	1Yr.	BNB	June 15/06
Mr. Frank **Layton** T.P.DowneyAndSonsLtd. P. O. Box 3050 Hillsborough, NB E4H 4W5	Manufacturing-Basic	Albert	1Yr.	ACOA	June 15/06

2.0 BOARD OF DIRECTORS April 1, 2005- March 31, 2006 (continued)

Board of Directors (Fiscal year ended March 31, 2006)

Name	Sector	County	Term Left	Appointed BY	Term Ends
Mr. Jeff **Land** – *Executive-at-Large* Butland Seafood 8607 Main Street Alma, NB E4H 1N6	Fisheries	Albert	2Yr.	BNB	June 15/07
Mr. Grant **Obermeier** Rainbow Printing 3 Jones Court Sussex, NB E4E 2S2	Retail/Service	Kings	3Yr.	ACOA	June 15/08
Mr. H. Brian **Reid** - *President* Aliant Telecom 10th Fl. B side One Brunswick Square Box 1430 Saint John, NB E2L 4K2	Entrepreneur	Kings	3Yr.	ACOA	June 15/08
Mr. Harley **Tingley** – *Executive-at-Large* Tingley Enterprises Ltd. 5823 King Street Riverside-Albert, NB E4H 4B4	Forestry	Albert	1Yr.	Municipal	June 15/06
Mr. Jim **Walker** Walkerville Farms Ltd. 25 Ball Hill Road Ward's Creek, NB E4E 4M3	Agriculture	Kings	2Yr.	BNB	June 15/07
Ms. Kathy **Weir** – *Vice-Chair* Broadleaf Guest Ranch 5526 Route 114 Hopewell Hill, NB E4H 3N5	Hospitality/ Retail/ Tourism	Albert	1Yr.	ACOA	June 15/06
Mr. Tim **Wilson** – *Past Chair* Fawcetts Do-it Center P. O. Box 2503 2 King St. Petitcodiac, NB E4Z 6H4	Manufacturing -Wood Forestry & Value Added Wood	Westmorland	3Yr.	Municipal	June 15/08

EXECUTIVE DIRECTOR OFFICERS

Chair:	Brian Reid
Vice Chair:	Kathy Weir
Secretary:	Clark Atherton
Treasurer:	Joe Fitzgerald
Executive-at-Large:	Harley Tingley
Executive-at-Large:	Jeff Land

BOARD OF DIRECTORS/COMMITTEE MEETINGS

During the 2005-2006 fiscal year, the following number, of meetings were held:

Three	Executive Committee - April 28, September 20 and November 1, 2005
Five	Board of Directors - April 28, June 14, September 20, November 1, 2005 and Jan. 24/06
Two	Municipality Roundtable – May 16 and November 3, 2005

STAFF PHOTO/POSITIONS

Left to right: Ghislain Thibodeau- Labour Force Development Officer, David Cotter – Economic Development Officer, Natasha Huttges- Youth Economic Development Officer, Joan Davidson- Office Administrator and Executive Director- Frank Tenhave.

In addition to the full-time staff, the Agency received funding for a summer student under the Summer Career Placement Program. *Meghan Emery* spent 9 weeks as an Administrative Assistant working directly with our Office Administrator, Joan Davidson and Youth Economic Development Officer, Natasha Huttges. A highlight of her term was Camp Coordinator with the Sussex and Hampton Business Day Camps.

OPERATIONS

In addition to regular budget funding, Fundy Community Economic Development Agency Inc. received funding for several projects maintaining all financial reports and file records.

Eleven special projects were completed throughout the year and are as follows:

Description	Funding Partner(s)
Canadian Maple Syrup Inc.	ACOA / BNB
EDAC Year 2 Training in Halifax	Industry Trade Canada
Employment Law Seminar	TED
Job Fair	TED
Investment / Immigration	ACOA / BNB
Labour Force Development Officer	TED
Gable Enterprises	BNB
Succession Planning	BNB
Summer Career Placement	HRSDC
Torrent Technical Inc.	BNB
Tourism Branding Study	ACOA / BNB
UNESCO	ACOA / BNB
Wild Turkey Study	BNB
Youth Economic Development Officer	ACOA / TED / BNB

3.0 BUSINESS COUNSELLING April 1, 2005- March 31, 2006

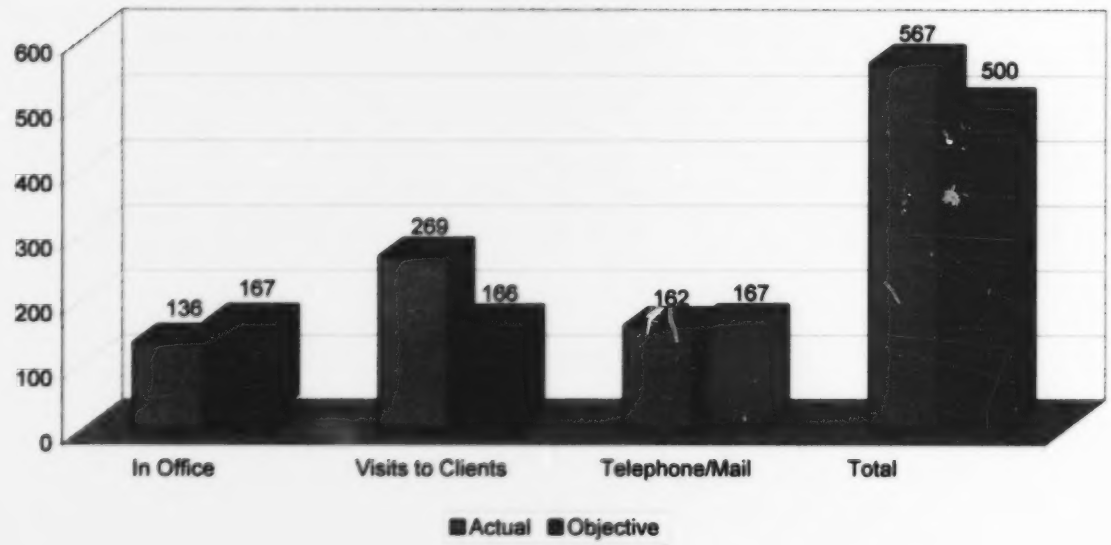
3.1 CLIENT CONTACT

During the past year, the Agency's staff assisted **567** clients in our office setting, municipal offices and client locations.

The chart and graph below reflects the results.

Contact Type	1st Q	2nd Q	3rd Q	4th Q	YTD Actual
In-house Counselling – New Start Ups and Existing Business	93	7	3	33	136
Client Location Site Visits	52	124	73	20	269
Mail Outs & Others	81	29	24	28	162
Total	226	160	100	81	567

Client Counselling Session Contact - Fiscal Year 2005- 2006



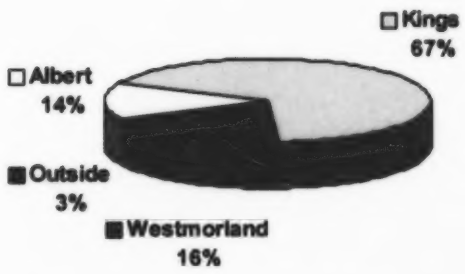
3.2 CLIENT COUNSELLING April 1, 2005- March 31, 2006

The Agency's staff continues to offer assistance, advice and guidance to facilitate the establishment of new businesses, help existing businesses grow, and to foster economic development in all sectors of the economy.

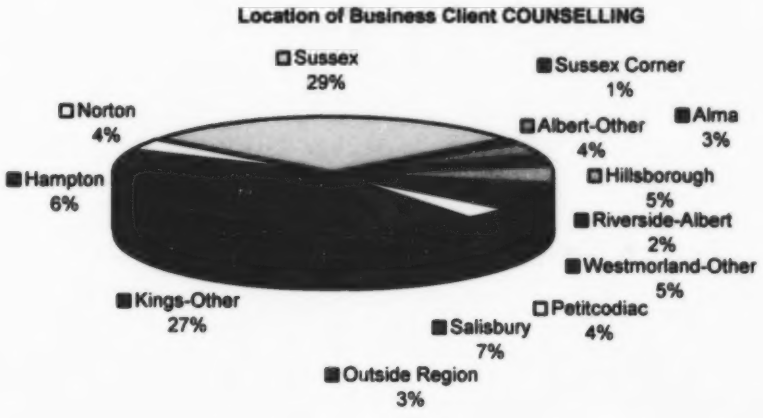
The locations of those events and projects across the region are illustrated in the following graphs.

In-house Counselling Locations
New Start Ups and Existing Businesses in the rural areas-

ALLOCATION OF COUNTY



ALLOCATION OF MUNICIPALITY



4.0 PROGRAM ACTIVITY AND APPROVALS – April 1, 2005- March 31, 2006

4.1 NEW BUSINESS CREATED

With the assistance of our Economic Development Officer, **14 new businesses** were established in the fiscal year 2005/06. ***Four*** of these new businesses received a combination of two programs consisting of the Entrepreneur Program / Self Employment Benefit (SEB) or the Student Employment and Experience Development (SEED) program. ***Five*** existing companies expanded, re-located, or re-opened their existing business.

The following tables illustrate the program types, total number of approvals, total value dollars of assistance and the companies receiving funding during our fiscal year April 1, 2005 – March 31, 2006.

4.2 TOTAL PROGRAM ACTIVITY

Program	Actual	Total Value of Assistance
Entrepreneur Loan Guarantee	4	$ 35,000
ACOA	2	$ 50,628
SEB	4	$ 48,750
CEDF	9	$ 116,553
SEED	11	$ 180,000
Strategic Assistance-BNB	1	$ 100,000
CBDC	2	$ 80,000
AIP-ISDI	1	$ 99,000
Trade Assistance Program	3	$ 4,588
Technical Adoption & Commercialization	2	$ 1,882
TOTAL	**39**	**$716,401**

4.0 PROGRAM ACTIVITIES AND APPROVALS - April 1, 2005- March 31, 2006

4.3 CLIENT PROGRAM APPROVALS

Our region's business community received financial assistance through a number of government programs. The following list of companies received funding totaling **$716,401.00.**

ASSISTANCE RECIPIENTS APPROVED IN REGION – April 1, 2005 – March 31, 2006			
Applicant	**Location**	**Program**	**Amount**
Armstrong, Stephen Gable Enterprises Ltd.	Kings Co.-Norton	Trade Assistance	$850
Broadleaf Guest Ranch Challenges Unlimited	Albert Co. Riverside-Albert	Technical Adoption & Commercialization	$696
Denton, Tim Three Bears Family Camping & RV Park Inc.	Kings Co.- Penobsquis	ACOA	$30,628
Deveau, Norah Wonderland Daycare	Kings Co. -Norton	SEED	$20,000
Drisdelle, Sandra Bookkeeping and Beyond	Westmorland – Salisbury	SEB	$12,500
Enterprise Fundy Tourism Branding Study	Kings Co.- Sussex	CEDF	$20,000
Enterprise Fundy Tourism Branding Study	Kings Co.- Sussex	ACOA	$20,000
Enterprise Fundy UNESCO Designation	Kings Co.- Sussex	CEDF	$30,000
Enterprise Fundy Youth Entrepreneur Development Officer	Kings Co.- Sussex	CEDF	$12,200
Enterprise Fundy New Tourism Product Research-Wild Turkey Flocks	Kings Co.- Sussex	CEDF	$5,250
Enterprise Fundy Torrent Technical-Prototype of Ind. Equip. Mulching Unit	Kings Co.-Sussex	CEDF	$15,000
Enterprise Fundy Investment/Immigration Project	Kings Co. -Sussex	CEDF	$17,250
Enterprise Fundy Succession Planning Seminar	Kings Co. -Sussex	CEDF	$1,000
Enterprise Fundy Gable Enterprise- Business Plan	Kings Co.- Norton	CEDF	$7,853
Harrison, Jeff HSC- Fabrication Inc.	Albert Co. -Hillsborough	Trade Assistance	$1,624
Harrison, Jeff HSC Fabrication Inc.	Albert Co.-Hillsborough	Technical Adoption & Commercialization	$1,186
Harper, Allan Trans Canada Truck Parts	Westmorland Co.- Salisbury	SEED	$10,000
Hibbert, Jeannette The Community Digest	Westmorland Co. – Elgin	SEED	$10,000
Hansen, Jana The Point Restaurant and Convenience	Kings Co.- Hatfield Point	CBDC	$65,000
Horsman, Steven Campground	Westmorland Co.- Salisbury	SEB	$11,250
Horsman, Steven Campground	Westmorland Co.- Salisbury	SEED	$20,000

Continued...

4.0 PROGRAM ACTIVITIES AND APPROVALS -April 1, 2005- March 31, 2006

Continued...

4.3 CLIENT PROGRAM APPROVALS

ASSISTANCE RECIPIENTS APPROVED IN REGION - Continued			
Applicant	**Location**	**Program**	**Amount**
Jeffrey, Candace G. CGJ Consulting & Design	Kings Co.-Sussex	Entrepreneur	$5,000
Jeffrey, Candace G. CGJ Consulting & Design	Kings Co. -Sussex	SEB	$12,500
Layton, Brian Layton Auto Body	Westmorland Co. Other	CBDC	$15,000
Maritime Geothermal Ltd. Product Development Engineer	Kings Co.-Petitcodiac	AIP-ISDI	$99,000
Mason, Tyler Lunch Counter	Kings. Co – Sussex	SEED	$20,000
Mason, Tyler Bakery/Lunch Counter	Kings. Co. – Sussex	Entrepreneur	$10,000
McNair, John Outdoor Elements Inc. (Bike Retail/Service	Kings Co.-Sussex Corner	Entrepreneur	$10,000
Mac Kenzie, Saundra Rusty Hinges	Kings Co.-Long Reach	Trade Assistance	$2,114
Murphy, Alison Flame and Fibre (Crafts)	Kings Co. - Hampton	SEED	$20,000
O'Neill, Cheryl Grady's Eatery & Pub	Westmorland- Salisbury	SEB	$12,500
O'Neill, Cheryl Grady's Eatery & Pub	Westmorland- Salisbury	SEED	$10,000
Piercey, Larry Piercey's Repair Shop	Kings. Co. – Norton	SEED	$10,000
Rae, Brenda Penobsquis Practice Range	Kings Co. – Norton	SEED	$20,000
Steeves, Robert Canadian Maple Syrup –(Mktg. Plan)	Albert Co.-Elgin	CEDF	$8,000
Stevens, Morgan Four C Racing (Used parts)	Kings Co.- Smithtown	Entrepreneur	$10,000
Teehan, Laurel Sunflower Atlantic Recycling (pallets)	Kings Co. – Sussex	SEED	$20,000
Village of Hillsborough Call Center	Albert Co.-Hillsborough	Strategic Assistance-BNB	$100,000
Wortman, Luke Country Side Garage Doors Ltd.	Westmorland Co., Salisbury	SEED	$20,000
Total all Quarters			**$716,401**

5.0 SPECIAL PROJECTS - April 1, 2005- March 31, 2006

During the year, staff and board members participated in a number of special projects and special events. Following are details of some of these projects and events.

5.1 SPECIAL PROJECTS

Summer Business Camp

Business day camps were held in Hampton (only) in 2004 and in both Sussex and Hampton in 2005 with 21 participants. The Sussex camp was held at the 8th Hussars the week of July 11- 15 and on August 8-12 in Hampton at the Town of Hampton Community Center. The goal of the camp for 9-12 year olds was to introduce the participants to entrepreneurship. Activities of the camp center around one main theme "Become your own boss for a day". During the week campers had the chance to open, operate and close their own business. The week also included a field trip to tour a local business, a business luncheon and an awards ceremony.

Entrepreneurship Market

Students from the Entrepreneurship110 classes across the region have participated in 2 Entrepreneurship Markets one on June 2nd and December 20th, 2005. The students completed business plans for a product or service that they produced and sold their wares at the marketplace. A total of 360 students participated, some very innovative products and services will be sold, ranging from homemade cookie mixes in decorated mason jars to Belgian Waffles prepared before your eyes. Awards were given out in a number of categories including best product, most innovative business and best business plan. The markets received extensive media coverage in the Kings County Record, and The Telegraph Journal. A project manual for the project has been drawn up for teachers and since December 2004 training has been given to 15 entrepreneurship educators.

Entrepreneurship 110 Supplemental Projects

The YEDO has offered all Entrepreneurship Teachers in the Fundy Region assistance with their entrepreneurship classes with Curriculum planning and facilitating workshops and projects. The workshops provide the students with hands on business management skills. Some major projects have included: "Market Your Cereal" a week long Marketing and Brand Development Project. A total of 38 workshops have been given in 2004 and 2005 with 1520 student participants.

The High School "Apprentice" Project.

Students from southern New Brunswick were invited to participate in a Product Development Challenge to create a new *fundraising product* for the greater Saint John United Way. A five-minute video challenge was produced in participation with NBCC and shown in high school classrooms. Finalists presented their business ideas before a panel of judges in the Saint John City Council Chambers. 135 students participated with the winning team from Sussex High School.

Continued...

5.1 SPECIAL PROJECTS – continued

VAS Call Centre—Hillsborough

Enterprise Fundy worked with the Village of Hillsborough and Virtual Agent Services (VAS) in getting a call centre for the village. This became reality in early 2006 as a building was found for the call centre and 40 people were hired. An official opening was held at the Kiwanis Centre on March 27th with representatives from VAS, Neri Basque Executive VP of IT and Strategic Development, Hon. Minister of Public Safety, Wayne Steeves, Hon Mayor of Hillsborough Donna Bennett, and Village Administrator, Danny Jonah.

Fundy UNESCO Biosphere

The consultant from Sustainable Resource Strategies & Associates has completed the UNESCO nomination document. If successful, the coastal section of N.B. from St. Martins to the N.S. Border would be designated as a UNESCO world Biosphere site. The plan is to submit the completed application to Ottawa this June.

Murals Project

The Murals project, which was shelved due to the winding up of the SCIF program, was resubmitted August 8, 2005 under the Innovative Communities Fund (ICF) and was supported by ACOA. This project represents a very real example of a well-researched community-based project that offers the Central Kings County area an opportunity to create a unique tourism draw that would have a very positive impact on the entire Enterprise Fundy region. The project involves the creation of 27 professional murals on buildings in Sussex and Sussex Corner showcasing historic events.

Energy Park

A potential Energy Park in Penobsquis, an opportunity verified in the "Natural Gas-based Economic Development Study"http://ent-fundy.ca/documents/final_report_oct2004.pdf; is the single best opportunity for significant job creation in the Enterprise Fundy region. Discussions with the Province are on going with the hope that this will be endorsed and supported in the near future. In it's simplest terms, the energy park is an industrial park that has access to lower cost energy through the use of local natural gas. This is a powerful incentive for high-energy, utilizing companies to establish production facilities here.

If this opportunity is to be captured the provincial government must commit to the concept of an Energy Park and commit the resources to see it put in place and marketed effectively.

Continued...

5.1 SPECIAL PROJECTS - continued

Business Management Workshops

Enterprise Fundy worked with LearnSpear and its ACOA sponsored program ProfitLearn. Feedback from the workshops was positive and planning is already underway for the 2006-07 year. *Four* seminar/workshops to provide management training opportunities for existing and future SMEs in different locations across the region were presented. The ProfitLearn sessions included "Market Planning" (2 sessions); "Performance Management"; and "Your Financial Statement" all of which drew a total of 32 participants.

Information Sessions on Program and Services

This year all staff had a part in one or more sessions, at various venues across the region. Listed are the major presentations –

- Hampton Area Chamber of Commerce presentation on Enterprise Fundy's programs May 4/05
- Natural Gas Based Economic Development Initiative presented to 3 Ministers in Fredericton June 22
- Regional Immigration Pilot Project Presentation – April 26
- Sussex Corner Village Council – Outline work of Enterprise Fundy and the Kings East Development Partnership -
- Open House/Public Meeting at the Penobsquis W.I. Hall "Local Market drilling schedule and findings" from Corridor Resources Oct. 12/05
- Kings East Development Partnership public information session " Energy Park Concept" held at All Seasons Restaurant Nov.8/05
- Presented to the Albert County Tourism Association information on HR programs and services- Jan. 18/06
- Tourism Roundtable meeting held in Gagetown on Feb. 23/06

Self Employment Benefit Information Sessions

In association with the Community Business Development Corporation Inc. for Kings County, a monthly information session on the SEB program was presented every 3rd Tuesday of the month, at the PALS Center in Sussex. *Twelve* sessions were held throughout the fiscal year with a total of **46** persons in attendance.

Other Projects not elaborated on include the following: (We worked on or organized)

Nominations for Tourism Awards
Fundy Trail Parkway
High School Workshops
Municipalities Roundtable
Southeast NB CEDA Committee

5.2 SPECIAL EVENTS

Small Business Week High Speed Business Mixer

A business-networking event was held for Small Business Week 2005. The event borrowed from the concept of "Speed Dating" - 16 participants had 5 minutes to exchange information one-on-one with another participant before they had to meet the next person.

Entrepreneurship Educators Round Table Meetings

Several times yearly the YEDO hosts meetings which brings all of the areas Entrepreneurship Educators from the Fundy region together to discuss class projects, and joint projects such as the Marketplace Project; Share Best Practices and to network. A total of 6 meetings were held this fiscal year.

UNBSJ's OREO Competition

High school students from New Brunswick, Prince Edward Island and Nova Scotia took part in the Orientation to Running an Entrepreneurial Organization (OREO) competition. The YEDO sponsored and coached 2 teams of five students from Sussex Regional High School at UNBSJ's annual high school business competition in February 23, 2006. The aim of the competition was to give high school students experience building a business and developing strategy for that business. Lessons were learned about running a business and working together.

How to Start Session

Enterprise Fundy, in conjunction with CBDC Kings, put on a formal "How to Start Session" held at the Agricultural Building in Sussex. A total of 11 people attended the session, and as a result one individual went forth with a business plan and applied for funding through the CBDC Kings.

Immigration/Investment Forum

Enterprise Fundy held an Immigration/Investment Forum session with Pierre Rouleau of KB and Li Associates Consultants at the Fairway Inn on September 23, 2005. There were 25 Chinese investors in attendance with a handful of business owners and government officials. The Chinese investors were impressed with the interest and put Sussex on their radar screen.

Continued...

5.2 SPECIAL EVENTS

2006 Tourism Conference

This year the 2006 Tourism Conference was held at the Trade and Convention Centre in Saint John. Enterprise Charlotte, Saint John, and Fundy all worked together, with other tourism related groups, to put together a great conference. There were 115 registered for this 2-day conference. On day one, workshops were held which discussed different topics that all tourism operators would benefit from. Helen Jean Newman was the guest speaker during the dinner where there were 85 in attendance. On day two, the Tourism Branding Study of South Central NB, presented by the Economic Planning Group of Canada, was officially launched. There were 40 individuals in attendance and it was well received. The final session was on "Internet Marketing" where 32 were in attendance. Feedback was very positive from all sessions that were held.

Other Events not elaborated on include the following: (We attended but organized by others)

- Hampton Area Chamber of Commerce official sod-turning ceremony for the CREDO Sculpture Project on the court house lawn – April 30 and Annual General Meeting and Dinner – April 18
- CBDC- Westmorland/Albert Annual General Meeting and Dinner – June 1/05
- CBDC- Charlotte/Kings Annual General Meeting & Dinner June 22/05 All Seasons Restaurant
- SeaChange/Métamorphase2005 conference - Saint John Trade & Convention- June 21-23
- Fundy Trail Announcement at the St. Martins Community Center-Apr. 29
- Point Lepreau Refurbishment meeting of support held in Fredericton– April 12
- Regional Immigration Pilot Project group information session – April 26
- Two "Employment Law Seminars" held at Jonah's B&B facilitated by Kelly VanBuskirk of Lawson & Creamer Barristers & Solicitors – Sept. 28/05
- Advantage Through Excellence Lean Seminar –held in Moncton for 2 days Sept.14-15/05
- 70th Annual Junior Chamber Canadian National Convention & General Assembly Sydney, NS Sept.14-18
- Annual Hunting Heritage Banquet – NB Local Chapter #1National Wild Turkey Federation held Aug. 27
- Princess Louise Park Show Centre – official Opening Ceremonies at Jubilee Hall-Aug.23
- "Meet and Greet" session -Villages of Alma, Hillsborough & Riverside-Albert- Oct. 4/05
- Business Innovation Conference on Fostering Business Innovation -Crystal Palace Oct.5/05
- Sussex Downtown Business Association info. session regarding WalMart – Oct.5/05

Continued...

5.2 SPECIAL EVENTS

- Sussex & Area Chamber of Commerce Annual Banquet held at the Sussex Golf & Country Club- Guest Speaker Hon. Bernard Lord – Oct. 18
- Hampton Area Chamber of Commerce-SBWBreakfast Mixer-Holly's Restaurant Oct. 9/05
- Tourism Industry Association of New Brunswick – 2 day Fall conference- Oct.28-29/05
- NB Innovation Foundation one-day Workshop "Building an Entrepreneurial Community" held at the Wu Conference Centre in Fredericton- Nov. 8/05
- JeunesseExpress.ca- Launch of new website and business resource for youth Nov. 20/05
- CBDC Charlotte/Kings Annual Christmas Party at Rossmount Inn St. Stephen Dec. 2/05
- Sussex Downtown Business Association Annual Dinner/General Meeting Feb 23/06 Sussex
- Kings County Tourism Association Annual Meeting held in Sussex on Feb. 8/06
- UNB Wood Tech Centre seminar "Innovation in Wood Products" Fredericton Feb.28/06
- Assett Mapping – Steering Committee meeting held in Bangor on Jan. 19/06
- Royal & District Planning Commission Working Group-Feb.15
- Enterprise Network - "State of the Province Address" held in Fredericton- Feb. 2/06
- Seminar "Doing Business in Germany" held in Fredericton on March 7/06
- National Sector Council conference held in Oromocto on March 14/06
- Women in Business afternoon tea held in Sussex – April 6/05
- Atlantic Business Exchange 2005 – Moncton Sept. 29/05
- Job Fair hosted by Enterprise Kent on March 1/06
- NB Outfitters/Guides Steering Committee meetings-Jan.10th in Fredericton on Feb.21 and in Sussex on Mar.21/06
- Atlantica INE Trade Corridor Conference planning meeting – Jan. 18/06
- Bangor Chamber of Commerce Annual Banquet- Jan. 18/06
- LNG Conference held in Moncton on Feb.8/06
- Extreme Entrepreneurship Conference held in Moncton on Feb. 15/06
- VAC Call Center Grand Opening held in Hillsborough on March 27/06
- Immigration Banquet held in Fredericton on March 27/06
- Hillsborough Chamber of Commerce Annual General Meeting – May 11
- NSERC Workshop RE: Innovation and Small Business – May 13
- Enterprise Network Annual Meeting and Banquet – Nov. 15-16/05
- CRA- Oil and Gas/ R &D opportunities- May 25
- Policy Forum on Immigration – June 17
- Saint John Energy Cluster Workshop June 20
- JCI National Convention Sept.14-18/05

6.0 TRAINING/WORKSHOPS/ SEMINARS

Staff attended the following workshops and training sessions as part of their career professional development, during the fiscal year April 1, 2005- March 31, 2006

- Tour de Force training in Fredericton – June 1 & 2 /05, Dec.6-16/05, Jan. 5/06
- Skill Path RE: "Managing Multiple Projects, Objectives and Deadlines" held in Saint John May 17
- ProfitLearn "Market Planning" May 4/05
- Microsoft Excel Training – Sept. 22/05
- University of Waterloo – EDAC training Year 2 held in Halifax Oct.3-7/05
- Employee Absenteeism Workshop held in Saint John on March 28/06

7.0 FINANCIAL STATEMENTS

April 1, 2005 – March 31, 2006

The following pages cover the accounting system for our fiscal year ending and are the final documentations for all activity from the Operating, Reserve and Capital accounts.

Force • Service • Solutions
Strength • Service • Solutions

FUNDY COMMUNITY ECONOMIC DEVELOPMENT AGENCY INC.

FINANCIAL STATEMENTS

AUDITED

AS AT MARCH 31, 2006

PORTER
HÉTU
INTERNATIONAL

Groupe de services professionnels
Professional Services Group

FUNDY COMMUNITY ECONOMIC DEVELOPMENT AGENCY INC.

MARCH 31, 2006

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AUDITOR'S REPORT

To the Board of Fundy Community Economic Development Agency Inc.

We have examined the General, Capital and Reserve Fund Balance Sheets of Fundy Community Economic Development Agency Inc. as at March 31, 2006 and the Statements of Revenue and Expenditures as well as the Statements of Cash Flow for the year then ended.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating overall financial statement presentation.

In our opinion, these financial statements present fairly the financial position of Fundy Community Economic Development Agency Inc. as at March 31, 2006 and the results of its activities for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year, except as disclosed in the following Notes to the Financial Statements.

Allan Eisner

Sussex, New Brunswick
May 17, 2006

ALLAN EISNER, CGA
ACCOUNTING & MANAGEMENT GROUP

FUNDY COMMUNITY ECONOMIC DEVELOPMENT AGENCY INC.
CONSOLIDATED BALANCE SHEET
AUDITED
AS AT MARCH 31, 2006

	2006	2005
ASSETS		
Cash	$ 109,352	$ 83,053
Accounts Receivable	42,301	14,197
Prepaid Expenses	976	1,099
	152,629	98,349
Capital Assets	32,307	35,485
	$ 184,936	$ 133,834
LIABILITIES		
Accounts Payable and Accurals	$ 66,618	$ 20,872
Committed Advances	24,001	-
	90,619	20,872
INVESTMENT IN CAPITAL ASSETS AND SURPLUS		
Surplus	62,010	77,477
Investment in Capital Assets	32,307	35,485
	94,317	112,962
	$ 184,936	$ 133,834

SEE ACCOMPANYING NOTES
SUBJECT TO AUDIT REPORT DATED MAY 26, 2006

FUNDY COMMUNITY ECONOMIC DEVELOPMENT AGENCY INC.
CAPITAL FUND
BALANCE SHEET
AUDITED
AS AT MARCH 31, 2006

	2006	2005
ASSETS		
Capital Assets	$ 32,307	$ 35,485
LIABILITIES AND INVESTMENT IN CAPITAL ASSETS		
Investment in Capital Assets	$ 32,307	$ 35,485

APPROVED BY:

DIRECTOR

H. Brian Reid DIRECTOR

SEE ACCOMPANYING NOTES
SUBJECT TO AUDIT REPORT DATED MAY 26, 2006

FUNDY COMMUNITY ECONOMIC DEVELOPMENT AGENCY INC.
CAPITAL FUND
STATEMENT OF INVESTMENT IN CAPITAL ASSETS
AUDITED
FOR THE YEAR ENDED MARCH 31, 2006

	2006	2005
BALANCE, Beginning of Year	$ 35,485	$ 51,160
ADD:		
Transfer from General Fund		
Capital Expenditures	6,821	-
	42,306	51,160
DEDUCT:		
Transfer to General Fund		
Proceeds from Disposition of Capital Assets	-	1,000
Amortization	9,999	12,686
Loss on Disposal of Capital Assets	-	1,989
	9,999	15,675
BALANCE, End of Year	$ 32,307	$ 35,485

SEE ACCOMPANYING NOTES
SUBJECT TO AUDIT REPORT DATED MAY 26, 2006

FUNDY COMMUNITY ECONOMIC DEVELOPMENT AGENCY INC.
CAPITAL FUND
STATEMENT OF SOURCE AND APPLICATION OF CAPITAL FINANCING
AUDITED
FOR THE YEAR ENDED MARCH 31, 2006

	2006	2005
SOURCE:		
Transfers from		
General Fund		
Capital Expenditures	6,821	-
Proceeds from Sale of Capital Asset	-	1,000
	$ 6,821	$ 1,000
APPLICATION:		
Capital Expenditures	$ 6,821	$ -
Transfer to General Fund	-	1,000
	$ 6,821	$ 1,000

SEE ACCOMPANYING NOTES
SUBJECT TO AUDIT REPORT DATED MAY 26, 2006

FUNDY COMMUNITY ECONOMIC DEVELOPMENT AGENCY INC.
GENERAL FUND
BALANCE SHEET
AUDITED
AS AT MARCH 31, 2006

	2006	2005
ASSETS		
Cash	$ 60,832	$ 35,750
Accounts Receivable (Note 4)	42,301	14,197
Prepaid Expenses	976	1,099
	$ 104,109	$ 51,046
LIABILITIES		
Accounts Payable and Accruals	$ 66,618	$ 20,872
Committed Advances	24,001	-
	90,619	20,872
SURPLUS		
Surplus, Beginning of Year	30,174	12,117
Add: Current Year Surplus (Deficit)	(7,466)	20,956
Less: Surplus of Second Previous Year	(9,218)	(2,899)
Surplus	13,490	30,174
	$ 104,109	$ 51,046

APPROVED BY:

J. on Chisholm DIRECTOR

H. Brian Reid DIRECTOR

SEE ACCOMPANYING NOTES
SUBJECT TO AUDIT REPORT DATED MAY 26, 2006

FUNDY COMMUNITY ECONOMIC DEVELOPMENT AGENCY INC.
GENERAL FUND
STATEMENT OF REVENUE AND EXPENDITURES AND SURPLUS
AUDITED
FOR THE YEAR ENDED MARCH 31, 2006

	2006 Budget	2006 Actual	2005 Actual
REVENUE			
Cooperation Agreement	$ 263,181	$ 263,180	$ 263,181
Municipal Members (Note 6)	16,239	16,239	16,239
ACOA Network Funding	5,833	7,935	-
BNB Network Funding	2,500	-	-
Training & Employment Development	-	-	19,496
Summer Career Program	2,446	2,017	2,398
Interest Income	-	2,113	1,448
Other	-	-	10
Second Prior Year Surplus	15,000	9,218	2,899
Transfer from Capital	-	-	1,000
	305,199	300,702	306,671
EXPENDITURES			
Salaries and Benefits	185,460	188,954	184,552
Special Projects (Note 7)	-	864	(254)
Telephone	8,500	8,589	7,897
Office Occupancy	18,875	17,613	18,873
Travel	31,500	34,474	29,743
Professional Fees	4,700	4,440	3,897
Directors' Expenses	4,500	3,414	3,380
Office Supplies	13,000	12,237	11,395
Promotion	9,500	6,020	8,487
Insurance	3,000	2,637	2,825
Maintenance & Technical Support	15,133	15,276	6,726
Training & Development	5,500	2,375	3,674
Subscriptions & Associations	3,000	2,706	2,826
Bank Charges	1,000	959	970
Other	1,531	789	724
Transfer to Capital Fund	-	6,821	-
	305,199	308,168	285,715
SURPLUS (DEFICIT)	-	(7,466)	20,956

SEE ACCOMPANYING NOTES
SUBJECT TO AUDIT REPORT DATED MAY 26, 2006

FUNDY COMMUNITY ECONOMIC DEVELOPMENT AGENCY INC.
GENERAL FUND
STATEMENT OF CASH FLOW
AUDITED
FOR THE YEAR ENDED MARCH 31, 2006

	2006	2005
CASH PROVIDED BY (USED IN)		
Operating Activities		
Working capital from operations		
Surplus (Deficit)	$ (7,466)	$ 20,956
Items not affecting cash		
Second prior year's surplus	(9,218)	(2,899)
	(16,684)	18,057
Net change in non-working capital balances:		
Accounts Receivable	(28,104)	(9,977)
Accounts Payable	45,746	3,173
Committed Advances	24,001	(6,062)
Prepaid Expenses	123	(123)
INCREASE (DECREASE) IN CASH	25,082	5,068
CASH, Beginning of Year	35,750	30,682
CASH, End of Year	$ 60,832	$ 35,750

SEE ACCOMPANYING NOTES
SUBJECT TO AUDIT REPORT DATED MAY 26, 2006

FUNDY COMMUNITY ECONOMIC DEVELOPMENT AGENCY INC.
RESERVE FUND
BALANCE SHEET
AUDITED
AS AT MARCH 31, 2006

	2006	2005
ASSETS		
Cash	$ 48,520	$ 47,303
LIABILITIES AND EQUITY		
Surplus	$ 48,520	$ 47,303

APPROVED BY:

_____ DIRECTOR

_____ DIRECTOR

SEE ACCOMPANYING NOTES
SUBJECT TO AUDIT REPORT DATED MAY 26, 2006

FUNDY COMMUNITY ECONOMIC DEVELOPMENT AGENCY INC.
RESERVE FUND
STATEMENT OF REVENUE AND EXPENDITURES AND SURPLUS
AUDITED
FOR THE YEAR ENDED MARCH 31, 2006

	2006 Actual	2005 Actual
REVENUE		
Interest Income	$ 1,217	$ 931
SURPLUS, Beginning of Year	47,303	46,372
SURPLUS (DEFICIT), End of Year	$ 48,520	$ 47,303

SEE ACCOMPANYING NOTES
SUBJECT TO AUDIT REPORT DATED MAY 26, 2006

FUNDY COMMUNITY ECONOMIC DEVELOPMENT AGENCY INC.
RESERVE FUND
STATEMENT OF CASH FLOW
AUDITED
FOR THE YEAR ENDED MARCH 31, 2006

	2006	2005
CASH PROVIDED BY (USED IN)		
Operating Activities		
Working capital from operations Surplus (Deficit)	$ 1,217	$ 931
CASH, Beginning of Year	47,303	46,372
CASH, End of Year	$ 48,520	$ 47,303

SEE ACCOMPANYING NOTES
SUBJECT TO AUDIT REPORT DATED MAY 26, 2006

FUNDY COMMUNITY ECONOMIC DEVELOPMENT AGENCY INC.
NOTES TO FINANCIAL STATEMENTS
AUDITED
MARCH 31, 2006

1. NATURE OF THE BUSINESS

The Fundy Community Economic Development Agency Inc., operating with the trade name of Enterprise Fundy, is incorporated, without share capital, under the laws of the Province of New Brunswick. The mandate of Enterprise Fundy is to foster economic development in all sectors of the economy for rural Albert, Kings and Westmorland Counties. Enterprise Fundy works with entrepreneurs and all levels of government to encourage and assist in the establishment of new businesses, to help business grow, and to reinforce the local economic mix by attracting new business from outside the Region.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Provincial Requirements

The financial statements have been prepared in conformance, in all material respects, to the accounting principles prescribed for New Brunswick municipalities by the Department of Municipalities, Culture and Housing.

(b) Fund Accounting

The financial statements are presented in accordance with the principles of fund accounting. This method ensures the observance of the limitations and restrictions placed on the use of resources available to Enterprise Fundy. Each fund is held in accordance with the objectives specified by the donors or with the directives issued by the Board of Directors. Transfers between the Funds are authorized by the Board of Directors.

(c) Revenue and Expenditure Recognition

Revenues and expenditures are recorded on an accrual basis. Outstanding commitments for goods and services relating to the current year are accrued at the balance sheet date.

FUNDY COMMUNITY ECONOMIC DEVELOPMENT AGENCY INC.
NOTES TO FINANCIAL STATEMENTS
AUDITED
MARCH 31, 2006

3. EXPLANATION OF FUNDS

(a) General Fund

The General Fund accounts for the operations activities of Enterprise Fundy. This Fund reports unrestricted resources available for immediate purposes.

(b) Capital Fund

This fund is used to track capital acquisitions. These capital assets include: computer hardware, computer software, leasehold improvements, signs, and furniture and equipment; however, Enterprise Fundy does not own land or buildings. Amortization commenced being recorded on these assets effective the fiscal year ended March 31, 2005. Assets are being amortized using the following methods:

Computer Hardware	30% Declining balance
Computer Software	100% Declining balance
Office Equipment and Furniture	20% Declining balance
Signs	20% Declining balance
Leasehold Improvements	5 year Straight Line

(c) Reserve Fund

The Reserve Fund reports, as revenue, resources that are to be used for specific purposes as specified by the Board of Directors and, as expenses, the use of these resources for the specified purposes.

4. ACCOUNTS RECEIVABLE

General Fund	2006	2005
HST Receivable	12,872	4,823
Government of Canada	-	7,032
ACOA	26,598	-
Training & Employment Development	2,831	2,000
	$ 42,301	$ 13,855

FUNDY COMMUNITY ECONOMIC DEVELOPMENT AGENCY INC.
NOTES TO FINANCIAL STATEMENTS
AUDITED
MARCH 31, 2006

5. CAPITAL ASSETS

	Cost	Accumulated Amortization	2006 Net	2005 Net
Office Equipment and Furniture	$ 18,885	$ 6,344	$ 12,541	$ 13,902
Computer Hardware	18,365	7,996	10,369	10,007
Computer Software	2,745	2,122	623	-
Signs	2,300	828	1,472	1,840
Leasehold Improvements	12,170	4,868	7,302	9,736
	$ 54,465	$ 22,158	$ 32,307	$ 35,485

6. MUNICIPAL MEMBERS' REVENUE

The Province of New Brunswick, through Business New Brunswick, and the participating municipalities provide operating funds to Enterpise Fundy based on its approved budgeted expenditures. Participating municipalities and their contributions follow:

	2006 Budget	2006 Actual	2005 Actual
Alma	$ 290	$ 290	$ 290
Hampton	3,997	3,997	3,997
Hillsborough	1,288	1,288	1,288
Norton	1,370	1,370	1,370
Petitcodiac	1,444	1,444	1,444
Riverside-Albert	393	393	393
Salisbury	1,954	1,954	1,954
Sussex	4,182	4,182	4,182
Sussex Corner	1,321	1,321	1,321
	$ 16,239	$ 16,239	$ 16,239

FUNDY COMMUNITY ECONOMIC DEVELOPMENT AGENCY INC.
NOTES TO FINANCIAL STATEMENTS
AUDITED
MARCH 31, 2006

7. SPECIAL PROJECTS

	2006 Actual	2005 Actual
Youth Entrepreneur Development Officer	$ (864)	$ 1
Youth Development Officer	-	612
Youth Service Adjustment	-	(309)
Profit and Learn	-	(50)
	$ (864)	$ 254